



DEPARTMENT OF COMMERCE

International Trade Administration

[C-570-068]

Forged Steel Fittings from the People's Republic of China: Final Results of Countervailing Duty Administrative Review; 2020

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The U.S. Department of Commerce (Commerce) determines that countervailable subsidies were provided to producers/exporters of forged steel fittings from the People's Republic of China (China) during the period of review (POR) January 1, 2020, through December 31, 2020.

DATES: Applicable [Insert date of publication in the *Federal Register*].

FOR FURTHER INFORMATION CONTACT: Zachariah Hall or Shane Subler, AD/CVD Operations, Office VIII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-6261 or (202) 482-6241, respectively.

SUPPLEMENTARY INFORMATION:

Background

Commerce published the *Preliminary Results* of this administrative review in the *Federal Register* on December 7, 2022, and invited interested parties to comment.¹ For a complete description of the events that occurred since the *Preliminary Results*, see the Issues and Decision Memorandum.²

¹ See *Forged Steel Fittings from the People's Republic of China: Preliminary Results and Partial Rescission of Countervailing Duty Administrative Review; 2020*, 87 FR 75037 (December 7, 2022) (*Preliminary Results*), and accompanying Preliminary Decision Memorandum.

² See Memorandum, "Issues and Decision Memorandum for the Final Results of the 2020 Countervailing Duty Administrative Review of Forged Steel Fittings from the People's Republic of China," dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

Scope of the *Order*³

The product covered by the *Order* is forged steel fittings from China. For a complete description of the scope of the *Order*, see the Issues and Decision Memorandum.

Analysis of Comments Received

All issues raised by interested parties are addressed in the Issues and Decision Memorandum. A list of the issues addressed in the Issues and Decision Memorandum is provided in the appendix to this notice. The Issues and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at <https://access.trade.gov/public/FRNoticesListLayout.aspx>.

Changes Since the *Preliminary Results*

Based on our analysis of comments from interested parties and the evidence on the record, we have not made any changes to the *Preliminary Results*. The reasons for this conclusion are explained in the Issues and Decision Memorandum. Accordingly, we made no changes to the countervailable subsidy rate calculations from the *Preliminary Results* for mandatory respondent Both-Well (Taizhou) Steel Fittings, Co., Ltd. (Both-Well).⁴ We also made no changes to the final subsidy rates for four non-selected companies under review.⁵

Methodology

Commerce is conducting this review in accordance with section 751(a)(1)(A) of the Tariff Act of 1930, as amended (the Act). For each of the subsidy programs found countervailable, we find that there is a subsidy, *i.e.*, a government-provided financial

³ See *Forged Steel Fittings from the People's Republic of China: Countervailing Duty Order*, 83 FR 60396 (November 26, 2018) (*Order*).

⁴ See *Preliminary Results*, 87 FR at 75038.

⁵ *Id.* The four non-selected companies under review are Eaton Hydraulics (Ningbo) Co., Ltd.; Jinan Mech Piping Technology Co., Ltd.; Qingdao Bestflow Industrial Co., Ltd.; and Yingkou Guangming Pipeline Industry Co., Ltd.

contribution that gives rise to a benefit to the recipient, and that the subsidy is specific.⁶ The Issues and Decision Memorandum contains a full description of the methodology underlying Commerce's conclusions, including any determination that relied upon the use of adverse facts available pursuant to sections 776(a) and (b) of the Act.

Companies Not Selected for Individual Review

The statute and Commerce's regulations do not address the establishment of a rate to be applied to companies not selected for individual examination when Commerce limits its examination in an administrative review pursuant to section 777A(e)(2) of the Act. Generally, Commerce looks to section 705(c)(5) of the Act, which provides instructions for determining the all-others rate in an investigation, for guidance when calculating the rate for companies which were not selected for individual examination in an administrative review. Under section 705(c)(5)(A) of the Act, the all-others rate is normally an amount equal to the weighted average of the countervailable subsidy rates established for exporters and producers individually investigated, excluding any zero or *de minimis* countervailable subsidy rates, and any rates determined entirely on the basis of facts available.

As stated above, there are four companies for which a review was requested and not rescinded, and which were not selected as mandatory respondents or found to be cross-owned with a mandatory respondent. For these non-selected companies, because the rate calculated for the only participating mandatory respondent in this review, Both-Well, was above *de minimis* and not based entirely on facts available, we are applying Both-Well's subsidy rate to the four non-selected companies. This methodology used to establish the rate for the non-selected companies is consistent with our practice regarding the calculation of the all-others rate, pursuant to section 705(c)(5)(A)(i) of the Act.

Final Results of Administrative Review

⁶ See sections 771(5)(B) and (D) of the Act regarding financial contribution, section 771(5)(E) of the Act regarding benefit, and section 771(5A) of the Act regarding specificity.

We determine the countervailable subsidy rates for the mandatory and non-selected respondents under review for the period of January 1, 2020, through December 31, 2020, to be as follows:

Producer/Exporter	Subsidy Rate (percent <i>ad valorem</i>)
Both-Well (Taizhou) Steel Fittings Co., Ltd.	13.42
Review-Specific Average Rate Applicable to the Following Companies	
Eaton Hydraulics (Ningbo) Co., Ltd.	13.42
Jinan Mech Piping Technology Co., Ltd.	13.42
Qingdao Bestflow Industrial Co., Ltd.	13.42
Yingkou Guangming Pipeline Industry Co., Ltd.	13.42

Assessment Rates

Pursuant to section 751(a)(2)(C) of the Act and 19 CFR 351.212(b)(2), Commerce has determined, and U.S Customs and Border Protection (CBP) shall assess, countervailing duties on all appropriate entries of subject merchandise in accordance with the final results of this review, for the above-listed companies at the applicable *ad valorem* assessment rates listed. We intend to issue assessment instructions to CBP 35 days after the date of publication of the final results of review in the *Federal Register*. If a timely summons is filed at the U.S. Court of International Trade, the assessment instructions will direct CBP not to liquidate relevant entries until the time for parties to file a request for a statutory injunction has expired (*i.e.*, within 90 days of publication).

Cash Deposit Instructions

In accordance with section 751(a)(1) of the Act, Commerce intends to instruct CBP to collect cash deposits of estimated countervailing duties in the amounts shown for each of the respective companies listed above on shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this administrative review. For all non-reviewed firms subject to the *Order*, we will instruct CBP to continue to collect cash deposits of estimated countervailing duties at the most recent company-specific or all-others rate applicable to the company, as appropriate. These cash deposit

requirements, effective upon publication of the final results of review, shall remain in effect until further notice.

Administrative Protective Order

This notice also serves as a reminder to parties subject to an administrative protective order (APO) of their responsibility concerning the destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3), which continues to govern business proprietary information in this segment of the proceeding. Timely written notification of the return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a sanctionable violation.

Notification to Interested Parties

We are issuing and publishing these final results in accordance with sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.221(b)(5).

Dated: April 4, 2023.

Abdelali Elouaradia,
Deputy Assistant Secretary
for Enforcement and Compliance.

Appendix

List of Topics Discussed in the Issues and Decision Memorandum

- I. Summary
- II. Background
- III. Scope of the *Order*
- IV. Period of Review
- V. Non-Selected Companies Under Review
- VI. Subsidies Valuation Information
- VII. Use of Facts Otherwise Available and Application of Adverse Inferences
- VIII. Analysis of Programs
- IX. Discussion of Issues
 - Comment 1: Application of Adverse Facts Available (AFA) to the Policy Loans to the Forged Steel Fittings Industry, Technology Reward from Jiangyan Economic Development Zone, and Provision of Land and/or Land-Use Rights for Less Than Adequate Remuneration (LTAR) in Jiangsu Province and the Western Region of China Programs
 - Comment 2: Application of AFA to “Other Subsidies”
 - Comment 3: Application of AFA to the Provision of Electricity for LTAR Program
 - Comment 4: Application of AFA to the Provision of Outbound Ocean Freight Services for LTAR Program
 - Comment 5: Subsidy Rate Calculation for the Provision of Outbound Ocean Freight Services for LTAR Program
- X. Recommendation

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